



# State of Utah

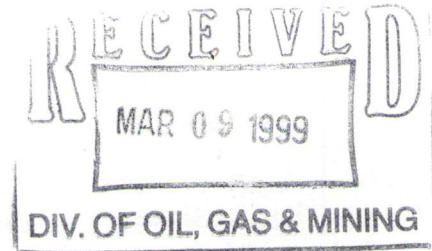
School and Institutional  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
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March 4, 1999



Mr. Anthony Gallegos  
State Of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: Reduction in Reclamation Surety Bond - Lisbon Valley Project (M/037/088)

Dear Mr. Gallegos;

The School and Institutional Trust Lands Administration ("Trust Lands Administration") has reviewed the written request, dated January 15, 1999, submitted to the Division of Oil, Gas and Mining ("DOG M") by Gochnour and Associates Inc., for a reduction of Reclamation Bond (~~#M/037/088~~), presently in the amount of \$2,689,000.00, as posted in anticipation of construction of the Lisbon Valley Project.

The Trust Lands Administration is aware of the conditions that have postponed commencement of the Lisbon Valley Project and does not object to replacing the existing Bond with a Rider which would cover all of existing disturbances created by Summo USA Corporation and Lisbon Valley Mining Company. It is the understanding of the Trust Lands Administration that DOGM will establish the reduced reclamation bond amount from information provided by Gochnour and Associated as confirmed by a field inspection of the property, conducted by the staff of the Bureau of Land Management, Moab Field Office.

When Summo USA Corporation and Lisbon Valley Mining Company choose to proceed with the proposed project the Trust Lands Administration will require an appropriate surety bond for reclamation of surface disturbance created on those state lands that are included in the Lisbon Valley Project.

Sincerely,

William M. Stokes  
Minerals Resource Specialist

cc: Lee "Pat" Gochnour - Gochnour & Associates, Inc.  
Mr. Robert Prescott - Summo USA Corporation